



GARY R. HERBERT  
Governor

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Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

March 30, 2010

Andre Zeitoun  
Applied Minerals, Inc.  
P. O. Box 968  
Osburn, Idaho 83849

Subject: Fourth Review of Notice of Intention to Commence Large Mining Operations, Atlas Mining Company, Dragon Mine, M0230080, Juab County, Utah

Dear Mr. Zeitoun:

The Division has completed a review of your Notice of Intention to Commence Large Mining Operations for the Dragon Mine, which was received January 28, 2010. The attached comments will need to be addressed before tentative approval may be granted.

Please address only those items requested in the attached technical review by sending replacement pages for the mining notice using redline and strikeout text, so we can see what changes have been made. After the notice is determined technically complete and we are prepared to issue final approval, we will ask that you send us two clean copies of the complete and corrected plan. Upon final approval of the permit, we will return one copy stamped "approved" for your records.

The Division will suspend further review of the Notice of Intention until your response to this letter is received. If you have any questions in this regard please contact me (PBB) at 801-538-5261, Wayne Western (WHW) at 801-538-5263, or Tom Munson (TM) at 801-538-5321. Thank you for your cooperation in completing this permitting action.

Sincerely,

Paul B. Baker  
Minerals Program Manager

PBB:whw:vs

Attachment: Review

cc: [jerry\\_mansfield@blm.gov](mailto:jerry_mansfield@blm.gov)

P:\GROUPS\MINERALS\WP\M023-Juab\M0230080-Dragon\final\REV4-3360-03302010.doc





**FORTH REVIEW OF NOTICE OF INTENTION  
TO COMMENCE LARGE MINING OPERATIONS  
Applied Minerals Inc.  
Dragon Mine  
M/023/0080  
March 30, 2010**

**R647-4-104 - Operator's, Surface and Mineral Ownership**

Comm ent #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
1	Page 2	The contact and corporate information in the NOI is not consistent with the information listed with the Utah Department of Commerce. The entity numbers are not consistent (# 5618028-0143 in the NOI and # 7513358-0143 with Commerce). The registered agents are not the same (Pacific Registered Agents in NOI and National Registered Agents, Inc with Commerce). Please provide information about local contact persons.	WHW	

**R647-4-105 - Maps, Drawings & Photographs**

**General Map Comments**

Comm ent #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
2	Figure 8	Please provide a watershed map or show the watershed boundaries on one of the existing maps, perhaps Figure 8. Figure 8 is a surface facilities and drainage map and should show the second sediment pond.	TM	

**105.3 - Drawings or Cross Sections (slopes, roads, pads, etc.)**

Comm ent #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
3	Figure 14	Thank you for providing cross sections, but please include a legend or something similar. It is not clear what the lines represent.	PBB	

**R647-4-106 - Operation Plan**

**106.2 - Type of operations conducted, mining method, processing etc.**

Comm ent #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
4	Pages 6 and 11	Please clarify in the text which openings will be used. From the text, it appears only the decline will be used. Is this an existing feature as implied on Page 6, or is it the new tunnel discussed on Page 11? Will the shaft and the Manhattan portal be used?	PBB	



**106.7 - Existing vegetation - species and amount**

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
5	Page 14	(Comment only; no reply needed.) The application says vegetation will be evaluated when weather permits. The Division should proceed with processing the application using this commitment, but the plan needs to contain the information before it can be determined complete.	PBB	

**106.9 - Location & size of ore, waste, tailings, ponds**

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
6	Figure 17	The sediment pond design should include the following. The check dam prior to the sediment pond berm should be composed of a gradation of 6-24 inch rock keyed into the bed and banks 2 feet. Please provide a cross sectional dimension for the pond (length, width, height) so a storage volume can be calculated. The center of the check dam should be lower than the sides so storm water goes over the middle of the dam. Please include a volume calculation for the structure based on the 10-year, 24-hour storm volume for the watershed. The upper end of the structure should be designed that a front end loader would easily be able to easily clean out any build up of sediments behind the check dam. The emergency spillway needs an elevation and riprap protection. It should be redesigned to not make a 90 degree turn after exiting the structure.	TM	

**R647-4-110 - Reclamation Plan**

**110.5 - Revegetation planting program**

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
7	Page 16	Please include a seed mix and a sentence committing to a time when the site will be seeded.	PBB	

**R647-4-113 - Surety**

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
8	Appendix II	Please provide bond calculations in the format being provided by the Division. The Division needs these calculations done in a consistent format and is attempting to have operators use this format.	whw	